GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3222
ANSWERED ON:07.12.2007
RELAXING NORMS FOR HEALTH INSURANCE
Rao Shri Kavuru Samba Siva

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to relax norms to allow hospitals and other heÂ£ lthcare institutions to offer insurance packages to expand health coverage to larger section of population;

(b) if so, the details thereof;

(c) whether the Government proposes to amend the existing laws and give new specific definition, to health insurance to ensure creation of a separate capital struct are for health insurance segment; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PA WAN KUMAR BANSAL)

(a) & (b): As per existing provisions of the law, only companies registered with the Insurance Regulatory and Development Authority in terms of the relevant provisions of thi: Insurance Act, 1938 and Regulations thereof may offer health insurance policiss. Section 3 (2AA) of the Insurance Act, 1938 (as amended in 1999) states that `The Authority shall give preference to register the applicant and grant him a certificate of registration if such applicant agrees, in the form and manner as may be specified by the regulations made by the Authority, to carry on the life insurance business or general insurance business for providing health cover to individuals or group of individuals. Hence, no company other than a life or general insurance comp iny duly registered with the Insurance Regulatory and Development Authority may offer any insurance,

(c) & (d): The proposed amendment in this regard is contained in the Insurance Laws Amerdment Bill, 2006 which is under consideration of a Group of Ministers (GOM).